



MONEY
ADVICE TRUST



PRESS RELEASE

New research published on supporting business customers in vulnerable circumstances

- **New report examines impact of vulnerable circumstances on small businesses**
- **Combines insight gathered from LSB registered firms & Business Debtline clients**
- **Firms encouraged to review findings and look at ways to improve practice**

The Lending Standards Board (LSB) and the Money Advice Trust, the charity that runs Business Debtline, have today published a report that explores the impact of vulnerable circumstances on people who run small businesses.

The report draws on insight gathered from LSB registered firms, as well as interviews with money advisers and clients of Business Debtline, the UK's only dedicated free debt advice service for small business owners. The research found that there is often a direct link between a business's financial difficulties and the person running the business experiencing some form of vulnerable circumstance, such as a mental health problem or serious illness.

Given the importance of small businesses to the UK economy, understanding the nature and impact of vulnerability in this context is crucial. The report finds that while progress is being made, there is more that can be done to support business customers in vulnerable circumstances. The findings aim to stimulate discussion in this area and enhance firms' understanding of how vulnerability affects their business customers.

Firms are being encouraged to undertake a gap analysis to assess potential improvements to their policies and processes in the five key areas of policy, identification, support and management, training and monitoring.

Dave Pickering, chief executive of the Lending Standards Board said:

“Identifying and supporting customers in vulnerable circumstances continues to be high on the agenda for financial services. However, much of this work has so far taken place in the personal, rather than business, customer space.

“We hope this report – in conjunction with our Standards for Lending Practice for Business Customers, launched last year – will prove a useful tool for firms looking to improve in this crucial area.

“The LSB will ensure that we keep driving the SME vulnerability agenda forward, working with our registered firms and other industry stakeholders to help bring about positive change for small businesses.”

Joanna Elson OBE, chief executive of the Money Advice Trust, the charity that runs [Business Debtline](#) said:

“Every day our advisers at Business Debtline help people whose businesses are in financial difficulty, with a range of vulnerable circumstances often contributing to the challenges they are facing.

“Small business owners are no less likely than anyone else to experience vulnerable circumstances – and with small businesses contributing so much to the UK economy, it is crucial they receive the support they need.”

“We have been pleased to partner with the Lending Standards Board to explore how the industry can bring the benefits of its focus on vulnerability to the business customer space. We look forward to working with firms as they consider the report’s findings in the months ahead.”

– ENDS –

The Lending Standards Board and Money Advice Trust’s report, *Supporting business customers in vulnerable circumstances*, is attached. A digital version will be available from Thursday 19th July 2018 at www.moneyadvicetrust.org.

Media enquiries should be directed to David Owen at david.owen@moneyadvicetrust.org or on 07973876569.

About the Lending Standards Board

The Lending Standards Board (LSB) is a self-regulatory body, set up to promote fair lending, by ensuring that all personal and small business borrowers receive a fair deal from their lender through adherence to the Standards of Lending Practice. The LSB launched its

Standards of Lending Practice for Business Customers in March 2017, expanding the scope and remit of existing protections across loans, overdrafts and credit cards. In June 2018, the scope of the Standards was extended to include commercial mortgages and a new set of Standards was launched covering asset finance products offered to small business customers. Forward-looking, the Standards of Lending Practice set a clear message for firms on transparency and fair treatment of their customers and is the only comprehensive protection for business borrowers up to £6.5m turnover.

About the Money Advice Trust

1. The Money Advice Trust is a charity which helps people across the UK tackle their debts and manage their money with confidence. The Trust's main activities are providing free advice through National Debtline, Business Debtline and My Money Steps; supporting advisers through Wiseradviser; and improving the UK's money and debt environment through policy, research and awareness raising campaigns.
2. Business Debtline is the UK's only dedicated free debt advice service for small businesses and the self-employed at www.businessdebtline.org. In 2017 Business Debtline helped 29,200 people on the phone and a further 7,100 people via webchat, with 167,300 visits to the Business Debtline website.
3. The Business Debtline twitter handle is @biz_debtline